

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NORTH CAROLINA
WILSON DIVISION**

IN RE:

CASE NO.:

HEAD GRADING CO., INC.
Debtor

**05-02729-8-JRL
CHAPTER 7**

STEPHEN L. BEAMAN, TRUSTEE)
Plaintiff)
)
vs.)
)
RUBY LEE HEAD)
Defendant.)

**ADVERSARY PROCEEDING
NO. 05-00316-8-JRL**

AFFIDAVIT OF RUBY LEE HEAD

NOW COMES Ruby Lee Head, first being duly sworn, deposes and says as follows:

1. That I am the Defendant in the above captioned adversary proceeding.
2. That the matters stated herein are based upon my own knowledge.
3. That in June of 1994, the Debtor executed two (2) Promissory Notes in favor of myself. One Note was in the amount of \$37,420.00 and the second Note was in the amount of \$174,033.00. Said notes are attached hereto as Exhibits A and B.
4. That as of July 28, 1998, said obligations had not been paid in full.
5. In order to assist the Debtor I agreed to restructure both of the Notes referenced above into a single obligation. The balance owing under the aforementioned Notes as of July 28, 1998 was \$180,515.75. Attached to the Motion for Relief from Automatic Stay filed in the above referenced bankruptcy case is a copy of the July 1998 Note. This obligation was secured by a Deed of Trust executed on July 28, 1998. A copy of that Deed of Trust is also attached to the Motion for Relief from Automatic Stay.
6. At the time of the execution of the Deed of Trust, a debt was owing by the Debtor to me.

This Affiant saith nothing further.

This the 31st day of August, 2006.

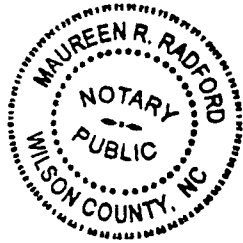
Ruby Lee Head
Ruby Lee Head

Sworn to and subscribed before me,

this the 31st day of August, 2006.

Maureen R. Radford
Notary Public

My Commission Expires: 9-22-2008



\$37,420.00

Goldsboro, North Carolina
June 27, 1994

THE UNDERSIGNED, for value received, promise to pay to Ruby Lee Head, or order, \$37,420.00, together with interest thereon at the rate of seven percent (7%) per anum as follows; the sum of FOUR HUNDRED THIRTY FOUR DOLLARS AND FORTY EIGHT CENTS (\$434.48) beginning on July 5, 1994 and a like amount on or before the 5th day of each consecutive calendar month thereafter for 119 months with a final payment on June 5, 2004.

This Note is secured by a Security Agreement and a Financing Statement on the assets of Head Grading Company, Inc.

IN THE EVENT OF DEFAULT in any payment or installment under this note, or upon failure of the undersigned to perform any of the stipulations or conditions concurrently herewith, the holder of this note may exercise the option of treating the remainder of the debt as due and collectible. Failure to exercise this option at any time shall not constitute a waiver of the right to exercise same at any other time.

IN TESTIMONY WHEREOF, the undersigned corporation has caused this note to be signed by the President and Secretary, all by order of the Board of Directors, and Ed Douglas (Pete) Head has herein set his hand and seal the day and year first above written.

ATTEST:

Ed Douglas Head (SEAL)
ED DOUGLAS (PETE) HEAD

Alicia W. Jones
SECRETARY

(SEAL)

HEAD GRADING COMPANY, INC.

BY: Ed Douglas Head
PRESIDENT

\$174,033.00

Jdlsboro, North Carolina
June 27, 1994

THE UNDERSIGNED, for value received, promise to pay to Ruby Lee Head, or order, the full sum of \$174,033.00, without interest thereon as follows: The sum of \$2,000.00 contemporaneous with the signing of this note, and the sum of FIVE HUNDRED SIXTY FIVE DOLLARS AND SIXTY TWO CENTS (\$565.62) per month beginning on July 5, 1994, and continuing on the 5th day of each consecutive calendar month thereafter for 119 additional months to and including June 5, 2004; thereafter the payments will be increased to the sum of ONE THOUSAND DOLLARS (\$1,000.00) per month and continue until February 5, 2013, when a final payment in the sum of ONE HUNDRED FIFTY EIGHT DOLLARS AND SIXTY CENTS (\$158.60) will be due and payable on the 5th day of March, 2013.

This Note is secured by a Security Agreement and a Financing Statement on the assets of Head Grading Company, Inc.

IN THE EVENT OF DEFAULT in any payment or installment under this note, or upon failure of the undersigned to perform any of the stipulations or conditions concurrently herewith, the holder of this note may exercise the option of treating the remainder of the debt as due and collectible. Failure to exercise this option at any time shall not constitute a waiver of the right to exercise same at any other time.

IN TESTIMONY WHEREOF, the undersigned corporation has caused this note to be signed by the President and Secretary, all by order of the Board of Directors, and Ed Douglas (Pete)

Head has herein set his hand and seal the day and year first above written.

ATTEST:

Ed Douglas Head (SEAL)
ED DOUGLAS (PETE) HEAD

Alicia W. Jones

SECRETARY

(SEAL)

HEAD GRADING COMPANY, INC.

BY: Ed Douglas Head
PRESIDENT

CERTIFICATE OF SERVICE

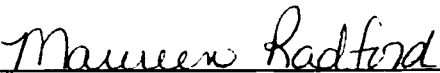
I, Maureen Radford, of the law firm of Hinson & Rhyne, P.A., of P. O. Box 7479, Wilson, North Carolina, certify:

That I am, and at all times hereinafter mentioned was, more than eighteen (18) years of age:

That on August 31, 2006, I mailed a copy of the foregoing AFFIDAVIT OF RUBY LEE HEAD, by depositing copies thereof in the United States mail, first class mail, postage prepaid, in an envelope addressed as shown below.

I certify under penalty of perjury that the foregoing is true and correct.

Dated: August 31, 2006.


Maureen Radford
Hinson & Rhyne, P.A.
P. O. Box 7479
Wilson, NC 27895-7479
(252) 291-1746

RECIPIENTS:

Stephen L. Beaman, Esq.
P.O. Box 1907
Wilson, NC 27894